

REMINDER: RDS SECURE WEBSITE FOR RETIREE DRUG SUBSIDY APPLICATIONS LAUNCHES AUG 1

As previously announced, the CMS Retiree Drug Subsidy (RDS) Center's secure website is available as of August 1, 2005. Employers and unions sponsoring qualified retiree plans will use the secure website to electronically submit their applications for the 28% retiree drug subsidy that was established under the Medicare Modernization Act. The subsidy payments reimburse plan sponsors for drug coverage they provide to retirees in lieu of Medicare drug coverage, encouraging them to continue offering the high quality coverage they have offered in the past.

In order to manage workload and ensure the integrity of the secure website, the application process is being rolled out in three phases. In the first phase (beginning August 1), an Account Manager can request an individual Login ID and establish his/her first Plan Sponsor account. (The same Login ID will be used for other accounts.) It typically takes a couple of days to authenticate some of the information elements included in this request.

In the second phase (beginning August 8), emails will begin going to approved Account Managers notifying them that their Plan Sponsor accounts and Login IDs have been activated. They will then be able to begin establishing additional Plan Sponsor accounts (if applicable). Users will also be able to enter data for most parts of the application.

When the comment period on the program's System of Record Federal Register notice closes on August 15, the third phase will begin. Users can enter remaining data and retiree files and submit their final applications, and the RDS Center will begin processing and validating information.

Sponsors and others assisting with their applications are encouraged to get ready and submit applications as early as they are able. To view the latest information about the program, including relevant deadlines, please visit the RDS website at <http://rds.cms.hhs.gov>.